

Monthly Policy Review

February 2019

Highlights of this Issue

[46 Bills will lapse with dissolution of the 16th Lok Sabha \(p. 2\)](#)

46 Bills will lapse and 33 Bills will carry forward to the next Lok Sabha. Some of the Bills that will carry forward include the 125th Constitutional Amendment Bill, and the Allied and Healthcare Professionals Bill.

[Interim Union Budget 2019-20 presented in Parliament \(p. 2\)](#)

PM-KISAN and Pradhan Mantri Shram-Yogi Maandhan schemes will be launched. Individuals with annual income up to five lakh rupees will not have to pay any tax. Income tax surcharge has been increased to 4%.

[GDP grows at 6.6% in third quarter of 2018-19 \(p. 3\)](#)

The growth rate in all sectors, except construction and electricity, decreased between 2017-18 and 2018-19. Electricity growth increased from 7.5% to 8.2%, and construction from 8 to 9.6%

[Five Bills introduced in Rajya Sabha during the Budget Session 2019 \(p. 4, 10, 12, 19\)](#)

These include the 125th Constitutional Amendment Bill, the Registration of Marriage of Non-Resident Indian Bill, and the International Financial Services Authority Bill.

[Four Ordinances issued; Cabinet approves five more Ordinances \(p. 4, 5, 10, 13, 14\)](#)

The Triple Talaq, Companies Amendment, Medical Council of India Amendment, and Banning of Unregulated Deposits Ordinances were issued. The Cabinet approved amendments to the Aadhaar Act and the SEZ Act.

[PM-KISAN launched to provide income support of Rs 6,000 per year to farmers \(p. 6\)](#)

Families with total cultivable holding of up to two hectares, are eligible for the income support. The scheme is estimated to incur an annual expenditure of Rs 75,000 crore.

[Pradhan Mantri Shram Yogi Maan-dhan launched \(p. 17\)](#)

The scheme intends to provide a minimum assured pension of Rs 3,000 per month to workers in the unorganized sector after attaining the age of 60 years on a monthly contribution of Rs 55 to Rs 200 based on age.

[CAG submits report on capital acquisition in the Indian Air Force \(p. 11\)](#)

The CAG made recommendations related to: (i) the planning and tendering process. (ii) solicitation of offers, and (iii) organisational issues in the capital acquisition process

[Committee submits report on methodology for fixing national minimum wage \(p. 16\)](#)

The Committee recommended a national minimum wage at Rs 375 per day. As an alternative, it also recommended different national minimum wages for five different regions of the country.

[Draft National e-Commerce Policy released for consultation \(p. 9\)](#)

The policy addresses six areas: (i) cross-border data, (ii) infrastructure development, (iii) e-commerce marketplaces, (iv) stimulating domestic demand, (v) regulatory issues, and (vi) export promotion.

[Cabinet approves National Mineral Policy 2019 \(p. 23\)](#)

Key proposals include: (i) shifting the status of mining from the primary sector (agriculture) to industry, and (ii) providing an institutional framework for sustainable mining.

[Standing Committees submit reports on various subjects \(p. 5, 11, 17, 18, 21, 27\)](#)

The subjects include status of forests in India, central assistance for disaster management and relief, and provision of all-weather road connectivity under Border Roads Organisation.

March 1, 2019

Parliament

Vinayak Krishnan (vinayak@prsindia.org)

46 Bills will lapse with the dissolution of the 16th Lok Sabha

The Budget Session of Parliament ended on February 13, 2019. This was the last session of the 16th Lok Sabha. The Personal Laws (Amendment) Bill, 2018 was passed by Parliament during the session. Five Bills were introduced in Rajya Sabha. These include the Constitution (One-Hundred and Twenty Fifth Amendment) Bill, 2019, the Registration of Marriage of Non-Resident Indian Bill, 2019, and the International Financial Services Centres Authority Bill, 2019.

With the end of this session, 46 Bills will lapse and 33 Bills, introduced and pending in the Rajya Sabha, will carry forward to the next Lok Sabha. For a full list, see [here](#).

Interim Union Budget 2019-20

Suyash Tiwari (suyash@prsindia.org)

Interim Union Budget 2019-20 presented

The Union Finance Minister, Mr. Piyush Goyal, presented the Interim Union Budget for 2019-20.¹ Key highlights include:

- The government proposes to spend Rs 27,84,200 crore in 2019-20, which is 13.3% above the revised estimate of 2018-19.
- The receipts (other than net borrowings) are expected to increase by 14.1% to Rs 20,80,201 crore, owing to higher estimated revenue from GST and income tax.
- The nominal GDP growth rate for 2019-20 is estimated at 11.5%. Fiscal deficit and revenue deficit are targeted at 3.4% of GDP and 2.2% of GDP respectively, same as the revised estimates for 2018-19.

Table 1: Budget 2019-20 (Rs Crore)

Item	Revised 2018-19	Budgeted 2019-20	% change
Total Expenditure	24,57,235	27,84,200	13.3%
Total Receipts (without borrowings)	18,22,837	20,80,201	14.1%
Fiscal Deficit	6,34,398	7,03,999	11.0%
% of GDP	3.4%	3.4%	
Revenue Deficit	4,10,930	4,70,214	14.4%
% of GDP	2.2%	2.2%	

Sources: Union Budget 2019-20; PRS.

Key policy proposals in the budget speech include:

- **Agriculture:** PM-KISAN scheme will be launched under which Rs 6,000 per year will be directly transferred to farmers with cultivable land up to two hectares. This amount will be paid in three instalments. The scheme will start from December 2018. Rs 20,000 crore has been allocated in 2018-19 and Rs 75,000 crore in 2019-20.
- Under the Kisan Credit Card scheme, 2% interest subvention and 3% incentive for prompt repayment, which are available to agriculture, will be extended to animal husbandry and fisheries.
- Earlier, farmers affected by natural calamities were provided interest subvention of 2% for one year. This will be extended to every year of the loan. Further, a 3% incentive will be provided for timely repayment of the loan.
- **Labour:** The Pradhan Mantri Shram-Yogi Maandhan scheme will be launched to provide social security coverage to workers in the unorganised sector with a monthly income of up to Rs 15,000. A monthly pension of Rs 3,000 will be provided from the age of 60 years. The monthly contribution of the worker will be matched by the central government.

The major tax changes announced are:

- **Rates:** The surcharge on income tax has been raised from 3% to 4%.
- **Deductions:** For salaried individuals, standard tax deduction has been increased from Rs 40,000 to Rs 50,000. Individuals earning an annual income of up to five lakh rupees will not have to pay any tax.
- **Tax deducted at source:** Exemption from TDS on rent has been increased from Rs 1.8 lakh to Rs. 2.4 lakh per year. The threshold for TDS on interest on bank and post office deposits has been increased from Rs 10,000 to Rs 40,000.
- **Housing:** Currently, there is no presumptive rent on one self-occupied house. Interest on housing loan is deductible for one house. On sale of a house, capital gains deduction is available if the gains are invested in buying a house. For all these, the limit has been extended to two houses (capital gains benefit limited to two crore rupees).

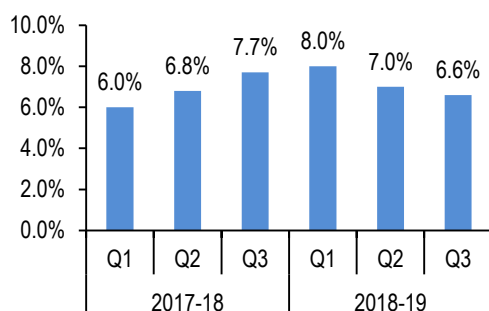
Macroeconomic Development

Gayatri Mann (gayatri@prsindia.org)

GDP grows at 6.6% in the third quarter of 2018-19

The Gross Domestic Product (GDP) (at constant prices) of the country grew at 6.6% in the third quarter of 2018-19, over the corresponding period a year ago.² This was lower than the 7% growth in the second quarter of 2018-19. The quarterly trend is shown in Figure 1.

Figure 1: GDP growth (in %, year-on-year)



Sources: MOSPI; PRS.

The release also provided the second advance estimates of the GDP growth in 2018-19. It is estimated that GDP will grow at 7% in 2018-19. This is estimated to be lower than the 7.2% growth in 2017-18.

GDP growth across economic sectors is measured in terms of Gross Value Added (GVA). The growth rate of combined GVA by all sectors decreased from 7.3% in the third quarter of 2017-18 to 6.3% in the third quarter of 2018-19. The growth rate of GVA decreased for all sectors, except electricity and construction. It increased from 7.5% to 8.2% for electricity, and from 8% to 9.6% for construction. Details on sectoral GVA growth are in Table 1.

Table 2: Gross Value Added across sectors in Q3 of 2018-19 (% growth year-on-year)

Sector	Q3 2017-18	Q2 2018-19	Q3 2018-19
Agriculture	4.6%	4.2%	2.7%
Mining	4.5%	-2.1%	1.3%
Manufacturing	8.6%	6.9%	6.7%
Electricity	7.5%	8.7%	8.2%
Construction	8.0%	8.5%	9.6%
Services	8.0%	7.4%	7.2%
GVA	7.3%	6.8%	6.3%
GDP	7.7%	7.0%	6.6%

Note: GVA is GDP without taxes and subsidies, at basic prices (2011-12 base year).

Sources: MOSPI; PRS.

Repo and reverse repo rate reduced to 6.25% and 6% respectively

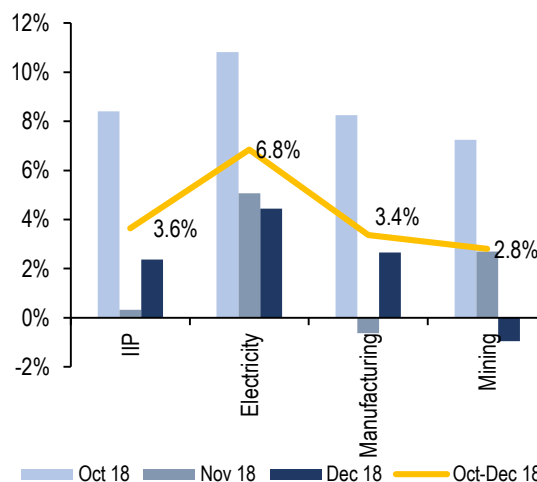
The Monetary Policy Committee (MPC) released its sixth Bi-Monthly Monetary Policy Statement of 2018-19.³ The policy repo rate (the rate at which the Reserve Bank of India (RBI) lends money to banks) was reduced from 6.5% to 6.25% by a majority vote of the members. Two of the six members voted to keep the rate unchanged.³ Other decisions of the MPC include:

- The reverse repo rate (the rate at which the RBI borrows money from banks) was reduced from 6.25% to 6%.
- The marginal standing facility rate (the rate at which banks can borrow additional money) and the bank rate (the rate at which the RBI buys or rediscounts bills of exchange) were reduced from 6.75% to 6.5%.

Industrial production grew by 3.6% in the third quarter of 2018-19

The Index of Industrial Production (IIP) grew by 3.6% in the third quarter (Oct-Dec) of 2018-19, as compared to the same period in 2017-18.⁴ Electricity production saw the highest increase of 6.8% in this quarter, followed by an increase of 3.4% in manufacturing and 2.8% in mining.⁴ Figure 1 shows the change in industrial production in the third quarter of 2018-19, and the average for the quarter.

Figure 2: Growth in IIP in third quarter of 2018-19 (year-on-year)



Sources: MOSPI; PRS.

Cabinet

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Union Cabinet approves promulgation of five Ordinances

The Union Cabinet has approved the promulgation of five Ordinances.^{5,6,7,8,9} These Ordinances are not available in the public domain. Details of these Ordinances as per a press release, are:

- **Aadhaar and Other Laws (Amendment) Ordinance, 2019:** The Ordinance seeks to, among other provisions, allow for voluntary use of the Aadhaar number by authentication or offline verification, with the consent of the Aadhaar number holder. Further, it would give an option to children who are Aadhaar number holders to cancel their Aadhaar number on reaching eighteen years of age. As per the press release, the amendments are the same as those contained in the Bill passed by the Lok Sabha on January 4, 2019.
- **Homeopathy Central Council (Amendment) Ordinance, 2019:** The Homeopathy Central Council Act, 1973, was amended in 2018 to provide for supersession and reconstitution of the Central Council within one year. In the interim period, the central government was to constitute a Board of Governors. The Ordinance seeks to extend the period of reconstitution of the Central Council from one year to two years. This would extend the tenure of the Board of Governors by one year, with effect from May 2019.
- **New Delhi International Arbitration Centre Ordinance, 2019:** The Ordinance seeks to establish the New Delhi International Arbitration Centre (NDIAC), to create an independent and autonomous regime for institutionalised arbitration.
- **Special Economic Zones (Amendment) Ordinance, 2019:** The Ordinance, among other provisions, seeks to amend the Special Economic Zones Act, 2005, to allow trusts to set up a unit in Special Economic Zones.
- **The Jammu and Kashmir Reservation (Amendment) Ordinance, 2019:** The Ordinance seeks to amend the Jammu and Kashmir Reservation Act, 2004. The Act provides three per cent reservation in state government jobs for people living within 6 km of the Line of Control in Jammu and Kashmir. The Ordinance seeks to extend

this reservation to persons residing in areas adjoining the International Border as well.

- The Union Cabinet also approved the Constitution (Application to Jammu and Kashmir) Amendment Order, 2019 to amend the Constitution (Application to Jammu and Kashmir) Order, 1954.¹⁰ The Order makes various provisions of the Constitution of India applicable to Jammu and Kashmir. The 103rd Constitutional Amendment Act provides for ten per cent reservation for economically weaker sections in educational institutions and public employment. The Amendment Order seeks to extend this reservation to Jammu and Kashmir. Further, benefits in promotions to Scheduled Castes and Scheduled Tribes under the Constitution will also be made applicable to the state of Jammu and Kashmir.

Finance

The International Financial Services Centres Authority Bill, 2019 introduced in Rajya Sabha

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The International Financial Services Centres Authority Bill, 2019 was introduced in Rajya Sabha.¹¹ The Bill provides for the establishment of an authority to develop and regulate the financial services market in the International Financial Services Centres set up in Special Economic Zones in India. Note that, the Bill has been referred to the Standing Committee on Finance for examination. The Committee is expected to submit its report within two months. Key features of the Bill include:

- **Constitution of the International Financial Services Centres Authority:** The Bill provides for the establishment of the International Financial Services Centres Authority. The Authority will consist of nine members, including representation from RBI, SEBI, IRDA, PFRDA, and the Ministry of Finance.
- **Functions of the Authority:** The Authority will regulate financial products, financial services, and financial institutions in IFSCs.
- Further, it will exercise all powers relating to regulation of financial products, services, and institutions in IFSCs, which were previously exercised by the respective regulators. All processes and procedures to be followed by the Authority in respect of

such regulation (such as, procedures for investigation of offences) will be identical to the provisions for these processes under the respective laws of the regulators.

For a PRS Summary of the Bill, see [here](#).

The Banning of Unregulated Deposit Schemes Ordinance, 2019 promulgated

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The Banning of Unregulated Deposit Schemes Ordinance, 2019 was promulgated.¹² Previously, a similar Bill was passed by Lok Sabha. However, it will lapse with the dissolution of the 16th Lok Sabha. The Ordinance provides for a mechanism to ban unregulated deposit schemes and protect the interests of depositors. It also seeks to amend three laws, i.e., the Reserve Bank of India Act, 1934, the Securities and Exchange Board of India Act, 1992 and the Multi-State Co-operative Societies Act, 2002. Key features of the Bill include:

- **Unregulated deposit scheme:** The Ordinance defines a deposit as an amount of money received through an advance, a loan, or in any other form, with a promise to be returned with or without interest. Such deposit may be returned either in cash or as a service, and the time of return may or may not be specified. Further, the Ordinance defines certain amounts which shall not be included in the definition of deposits such as amounts received in the form of loans from relatives and contributions towards capital by partners in any partnership firm.
- The Ordinance lists nine regulators including RBI and SEBI, which oversee and regulate various deposit-taking schemes. All deposit-taking schemes are required to be registered with the relevant regulator. A deposit-taking scheme is unregulated if it is taken for a business purpose and is not registered with the regulators that are listed in the Ordinance.
- **Offences and penalties:** The Ordinance defines three types of offences, and penalties related to them. These offences are: (i) running (advertising, promoting, operating or accepting money for) unregulated deposit schemes, (ii) fraudulently defaulting on regulated deposit schemes, and (iii) wrongfully inducing depositors to invest in unregulated deposit schemes by willingly falsifying facts. For example, accepting unregulated deposits will be punishable with imprisonment between two and seven years,

along with a fine ranging from three to 10 lakh rupees.

For a PRS summary of the Ordinance, see [here](#).

Standing Committee submits report on strengthening the credit rating framework

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The Standing Committee on Finance (Chair: Dr. M. Veerappa Moily) submitted its report on ‘Strengthening of the Credit Rating Framework in the country’.¹³ A credit rating agency is a body corporate which is engaged in the business of rating of securities offered through public or rights issue. Key observations and recommendations of the Committee include:

- **Regulatory framework:** The Committee noted that credit rating agencies in India have progressed from rating simple debt products to complex debt structures, covering a wide range of products and services like securities, bank loans, commercial papers, and fixed deposits. In India, the SEBI primarily regulates credit rating agencies and their functioning. However, certain other regulatory agencies, such as the RBI, IRDA, and PFRDA also regulate certain aspects of credit rating agencies under their sectoral jurisdiction.
- The SEBI (Credit Rating Agencies) Regulations, 1999 provide for a disclosure-based regulatory regime, where the agencies are required to disclose their rating criteria, methodology, default recognition policy, and guidelines on dealing with conflict of interest. The Committee noted that SEBI is among the few regulators globally to mandate public disclosure of rating criteria and methodology by the agencies.
- **Change in regulations:** The Committee noted that rating of an instrument or entity is being increasingly relied upon by capital markets, bankers and investors and constitutes a key input for financial decision-making. In the Indian context, the credibility of credit rating has come into question in the crisis involving the Infrastructure Leasing and Financial Services Limited (IL&FS), a major infrastructure development and finance company of systemic importance, with a debt obligation of Rs 91,000 crore. The credit rating agencies ignored the rising debt levels at IL&FS, and continued rating it AAA, indicating the highest level of creditworthiness. In this regard, the

Committee recommended that the regulators should review their regulations and suitably modify them to ensure greater objectivity, transparency and credibility in the whole credit rating framework.

- The Committee also recommended that the Ministry of Finance should seek a factual report from the concerned regulators regarding the enforcement of the regulations. In particular, the Ministry should assess the action taken by the regulators against the credit rating agencies who had been giving stable ratings to IL&FS prior to the default crisis.

For a PRS Summary of the report, see [here](#).

Term of the task force set up to draft new direct tax law extended by three months

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The Ministry of Finance has extended the term of the task force set up to draft a new direct tax law by a period of three months.¹⁴ The task force was constituted in November 2017 to review the Income Tax Act, 1961 and draft a new direct tax law keeping in view: (i) direct tax system prevalent in various countries, (ii) international best practices, (iii) economic needs of India, and (iv) any other connected matters.

The task force was required to submit its report by February 28, 2019. This has now been extended to May 31, 2019.

CBIC constitutes three working groups to recommend measures to facilitate trade, promote exports and improve compliance

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The Central Board of Indirect Taxes and Customs has constituted three working groups to recommend measures for facilitating trade, promoting exports, and improving compliance.¹⁵

The working groups will focus on: (i) improving the legislative structure of customs tariff, updating it to suit the emerging and future needs of the economy and the industry, and creating a comprehensive export tariff structure to enhance export competitiveness, (ii) promoting and facilitating exports with emphasis on boosting exports through e-commerce, addressing the trade facilitation barriers in export markets, and improving the quality of logistics services for exporters, and (iii) enhancing compliance and plugging loopholes for improving revenue collection on customs and curbing frauds related to refunds of integrated GST.

The working groups will submit their reports within a period of two months.

Cabinet approves abolition of income tax ombudsman and indirect tax ombudsman

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The Union Cabinet approved the proposal for abolition of institutions of income tax ombudsman and indirect tax ombudsman.¹⁶ The institutions of tax ombudsman were created to deal with public grievances related to settlement of complaints on income tax and indirect tax matters. The Ombudsman was independent of the jurisdiction of the tax departments.

The decision to abolish them was taken due to preference of alternative complaint redressal mechanisms by the public, and low effectiveness of the institutions of ombudsman as compared to these parallel channels of grievance redressal.

Cabinet approves procedure for asset monetisation of CPSEs and immovable enemy properties

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The Union Cabinet approved the laying down of an institutional framework for monetisation of: (i) identified non-core assets of the Central Public Sector Enterprises (CPSEs) under strategic disinvestment, and (ii) assets relating to immovable enemy property under the custody of the Custodian of Enemy Property for India, Ministry of Home Affairs.¹⁷ The institutional framework can also be used to monetise other CPSEs, PSUs, government organisations, and loss making/sick CPSEs.

The exact model for monetisation of any asset, and the model contract documents will be approved by the competent authority based on the recommendations of technical consultants, respective Ministries, CPSEs, and NITI Aayog, among others. The independent External Monitor set up for strategic disinvestment will also oversee the process of asset monetisation. The approved framework will be reviewed after two years, to make any necessary changes.

Agriculture

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PM-KISAN scheme launched

The central government launched the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)

scheme.^{18,19,20} Under the scheme, small and marginal landholder farmer families, i.e. families with total cultivable holding of up to two hectares, will be provided income support of Rs 6,000 per year. The scheme seeks to supplement their financial needs in procuring inputs for appropriate crop health and yields.

The amount is payable in three equal instalments, every four months, through direct benefit transfer to bank accounts. The first instalment is being provided for the four-month period from December 2018 to March 2019.

Eligibility: Farmer families collectively owning cultivable land of up to two hectares (as per land records of the concerned state or union territory) are eligible for the scheme. However, this excludes certain beneficiaries of higher economic status, including those which are: (i) institutional land holders, (ii) families with one or more members as government employees, and (iii) families with one or more members as income tax payers.

Identification of beneficiaries: States were required to identify beneficiaries by February 1, 2019 based on their land records. Post this date, no change is allowed in the list of beneficiaries for a period of five years. Changes are permitted only in the case of: (i) transfer of ownership of land through succession, and (ii) inconsistencies in the land records. The list of eligible beneficiaries would be published at the village level to ensure transparency.

Aadhaar number is mandatory for the release of the second instalment (for the April to July 2019 period).²¹ From third instalment (August 2019) onwards, Aadhaar seeding, i.e. biometric authentication, will be compulsory. However, Aadhaar is not mandatory for beneficiaries from Assam, Jammu and Kashmir, and Meghalaya.

Monitoring and grievance redressal: Grievance redressal monitoring committees are required to be set up at the state and district levels by the state government. Eligible beneficiaries whose names are not included in the list can approach the district level grievance redressal monitoring committee in their districts.

The scheme also provides for a Project Monitoring Unit at the central level with other monitoring and review mechanisms at the national, state, and district levels.

Funding: The scheme will be funded by the central government, and is estimated to incur an expenditure of Rs 75,000 crore per year. The same amount has been allocated to the scheme in 2019-20. Rs 20,000 crore has been allocated in 2018-19 for providing the first instalment.

Second advance estimates of production of major crops for 2018-19 released

The Ministry of Agriculture and Farmers Welfare released the second advance estimates of production of major foodgrains and commercial crops for the year 2018-19.²² Table 3 gives a comparison of the second advance estimates of production for 2018-19 with the fourth advance estimates of production for 2017-18 (the latest available production data for 2017-18).

Following are some of the highlights:

- Foodgrain production in 2018-19 is estimated to decrease by 1.2% as compared to the fourth advance estimates for 2017-18. The decrease is due to a 9.4% decline in the production of coarse cereals. The production of cereals and pulses is estimated to decrease by 0.8% and 4.8%, respectively.
- Rice production in 2018-19 is estimated to increase by 2.4% as compared to the fourth advance estimates for 2017-18. Wheat production is estimated to decrease by 0.6%.
- The production of oilseeds is estimated to increase by 0.6% as compared to 2017-18. While groundnut production is estimated to decrease by 23.9%, the production of soyabean is estimated to increase by 24.5%.
- Production of cotton is estimated to fall by 13.8%, while production of sugarcane is estimated to increase by 1% to 380.8 million tonnes in 2018-19.

Table 3: Second advance estimates of production for 2018-19 (in million tonnes)

Crop	4th advance estimates 2017-18	2nd advance estimates 2018-19	% change over 2017-18
Foodgrains (A+B)	284.8	281.4	-1.2%
A. Cereals	259.6	257.4	-0.8%
Rice	112.9	115.6	2.4%
Wheat	99.7	99.1	-0.6%
Coarse Cereals	47.0	42.6	-9.4%
B. Pulses	25.2	24.0	-4.8%
Tur	4.2	3.7	-11.9%
Gram	11.2	10.3	-8.0%
Oilseeds	31.3	31.5	0.6%
Soyabean	11.0	13.7	24.5%
Groundnut	9.2	7.0	-23.9%
Cotton*	34.9	30.1	-13.8%
Sugarcane	376.9	380.8	1.0%

*Million bales of 170 kg each.

Sources: Directorate of Economics and Statistics, Ministry of Agriculture and Farmers Welfare; PRS.

CCEA approves provision of loans to sugar mills for clearing dues of farmers

The Cabinet Committee on Economic Affairs (CCEA) approved the provision of loans to sugar mills for clearing dues of sugarcane farmers.²³ Loans of about Rs 7,900 crore to Rs 10,540 crore have been approved for the 2018-19 sugar season (October 2018 to September 2019). Interest subvention of 7% to 10% will be provided by the central government on these loans for a period of one year. This interest subvention is estimated to cost between Rs 553 crore and Rs 1,054 crore.

These loans will be provided to mills which have already cleared at least 25% of their outstanding dues to farmers in the 2018-19 sugar season.

Banks will be required to obtain the list of farmers, their corresponding dues, and bank account details, from the sugar mills. The funds will be directly transferred to the accounts of the farmers on behalf of the sugar mills. Subsequent balance, if any, will be provided to the mills.

Minimum Support Price of sugar and raw jute increased for the year 2019-20

- **Sugar:** The Department of Food and Public Distribution increased the Minimum Support Price (MSP) of sugar from Rs 29 per kg to Rs 31 per kg for the year 2019-20.²⁴ This implies that white sugar or refined sugar will not be sold below the MSP of Rs 31 per kg in the domestic market.
- The MSP has been increased in order to provide more liquidity to sugar mills so that they are able to pay the dues owed to sugarcane farmers.²⁵ These dues amounted to Rs 20,167 crore as on February 13, 2019.
- **Raw jute:** The Cabinet Committee on Economic Affairs approved an increase in the MSP of raw jute for the 2019-20 season.²⁶ The MSP for Fair Average Quality of raw jute has been increased from Rs 3,700 per quintal to Rs 3,950 per quintal.

CCEA approves creation of Agri-Market Infrastructure Fund

The Cabinet Committee on Economic Affairs (CCEA) approved the creation of an Agri-Market Infrastructure Fund of Rs 2,000 crore.²⁷ This Fund has been approved for development and up-gradation of infrastructure in 10,000 gramin agricultural markets and 585 regulated wholesale markets. This corpus fund will be created with the assistance of NABARD.

The Fund will be used to provide subsidised loans to states and union territories against their

proposals for development of infrastructure in gramin agricultural markets and regulated wholesale markets. The Fund may also be used to provide assistance to states and union territories for innovative integrated market infrastructure projects.

The National Rural Employment Guarantee scheme and other government schemes will be used to strengthen the physical and basic infrastructure in gramin agricultural markets.

RBI increases the limit for collateral free agricultural loans to Rs 1.6 lakh

The Reserve Bank of India (RBI) increased the limit for collateral free agricultural loans from the existing level of one lakh rupees to Rs 1.6 lakh.²⁸ Earlier, banks were mandated to extend collateral free agricultural loans up to one lakh rupees. This limit was fixed by the RBI in 2010. It has revised the limit to Rs 1.6 lakh on account of inflation and increase in agricultural input costs over the years.

Draft National Inland Fisheries and Aquaculture Policy released

The Ministry of Agriculture and Farmers Welfare has released the draft National Inland Fisheries and Aquaculture Policy.²⁹ Aquaculture (or aquafarming) refers to the farming of fish, algae and other aquatic organisms, and aquatic plants. Key features of the draft policy include:

- **Objectives:** The objectives include: (i) utilising and managing inland fisheries and aquaculture resources in an optimal and sustainable manner, (ii) increasing fish production, productivity, and fishermen's income, (iii) creating employment through trade of globally competitive fish and fish-based value added products, and (iv) ensuring food and nutritional security.
- **Inland fisheries:** The policy measures recommended for inland fisheries include: (i) conserving indigenous resources, and restoring natural ecosystem of rivers, (ii) transferring management of fisheries in manmade reservoirs to the state fisheries departments for scientific enhancement and efficient governance, (iii) conserving and restoring ecosystem in natural wetlands, and (iv) bringing policies, law, and conservation programmes for development of fisheries in the Himalayan and north-eastern states.
- **Aquaculture:** Measures recommended for development of aquaculture include: (i) developing state and area-specific action plans, (ii) redefining land use categories to include fisheries and aquaculture as

components of agriculture, (iii) developing separate programmes for small farmers, (iv) simplifying requirements for registration and leasing of farms, and (v) developing the required regulatory frameworks.

- Other policy measures include: (i) making registration of all aquaculture inputs compulsory, (ii) regulating exotic species, (iii) improving disease surveillance, (iv) diversifying species, (v) developing post-harvest and marketing infrastructure, and (vi) strengthening fisheries cooperatives.

Comments on the draft policy are invited till March 13, 2019.

Rashtriya Kamdhenu Aayog constituted for conservation and development of cows

The Ministry of Agriculture and Farmers Welfare has constituted an apex advisory body, Rashtriya Kamdhenu Aayog for the conservation, protection, and development of cows and their progeny.³⁰ Other objectives of the Aayog include: (i) proper implementation of laws with respect to prohibition of slaughter and cruelty to cows, and (ii) providing direction to cattle development programmes and schemes.

The Aayog will develop a policy framework and formulate guidelines with the aim of achieving: (i) sustainable development and upgradation of genetic resources of cows, (ii) enhanced dairy production and productivity, and (iii) protection and promotion of the interest of stakeholders in the dairy industry, among others.

Commerce

Gayatri Mann (gayatri@prsindia.org)

Draft National e-Commerce Policy released for consultation

The Department for Promotion of Industry and Internal Trade released the 'Draft National e-Commerce Policy: India's Data for India's Development' for consultation.³¹ The policy addresses six broad issues of the e-commerce ecosystem such as: (i) data, (ii) infrastructure development, (iii) e-commerce marketplaces, (iv) regulatory issues, (v) stimulating the domestic digital economy, and (vi) export promotion through e-commerce. Key features of the e-commerce policy include:

- **Data:** Creating a legal and technological framework for imposing restrictions on cross-border data flow from specified sources, including data generated by users in

India on e-commerce platforms, social media, and search engines.

- Further, the policy lays down certain conditions for businesses regarding collection or processing of sensitive data locally and storing it abroad. These are: (i) all data stored abroad shall not be made available to business entities outside India, even with the customer's consent; (ii) such data should also not be made available to a third party, and (iii) such data should not be shared with a foreign government, without the prior permission of Indian authorities.
- **Foreign direct investment:** The policy aims at demarcating what constitutes a marketplace model and what comprises an inventory-based model of sale and distribution. It aims at inviting and encouraging foreign investment in the 'marketplace' model alone. This implies that an e-commerce platform, in which foreign investment has been made, cannot exercise ownership or control over the inventory sold on its platform.
- **Custom duties:** On taxation-related issues in the sector, the draft policy said the current practice of not imposing custom duties on electronic transmissions must be reviewed.
- **Export promotion:** The policy states that there is a need to incentivise exports and reduce administrative requirements and costs for outbound shipments. Further, it states that the existing limit of Rs 25,000, above which products are exported through cargo mode should be increased. This would make Indian e-commerce exports attractive even for high-value shipments through courier mode.

The Department is seeking comments on the draft policy till March 9, 2019.

Law and Justice

Personal Laws (Amendment) Bill passed by Parliament

Roshni Sinha (roshni@prsindia.org)

The Personal Laws (Amendment) Bill, 2018 was passed by Parliament.³² It seeks to amend five Acts. These are: (i) the Divorce Act, 1869, (ii) the Dissolution of Muslim Marriage Act, 1939, (iii) the Special Marriage Act, 1954, (iv) the Hindu Marriage Act, 1955, and (v) the Hindu Adoptions and Maintenance Act, 1956.

These Acts contain provisions related to marriage, divorce, and separation of Hindu and Muslim couples. Each of these Acts prescribe leprosy as a ground for seeking divorce or separation from the spouse.

The Bill seeks to remove this as a ground for divorce or separation.

A PRS summary of the Bill is available [here](#).

The Registration of Marriage of Non-Resident Indian Bill, 2019 introduced in Rajya Sabha

Vinayak Krishnan (vinayak@prsindia.org)

The Registration of Marriage of Non-Resident Indian Bill, 2019 was introduced in Rajya Sabha.³³ The Bill has been referred to the Standing Committee on External Affairs, which is expected to submit its report in two months. Key features of the Bill include:

- **Registration of marriages:** The Bill states that every Non-Resident Indian (NRI) who marries a citizen of India in India must get his marriage registered in India within thirty days. Further, every NRI who marries an Indian citizen or another NRI outside India, must get his marriage registered with the Marriage Officer, within thirty days. The Marriage Officer is appointed from among the diplomatic officers in a foreign country.
- **Impounding of passport:** In case an NRI marries an Indian citizen or another NRI, and fails to register the marriage within thirty days, the passport authority may impound or revoke the passport of the NRI.
- **Issue of summons and warrants:** The Bill provides that in case a court cannot serve summons on an individual, it may issue summons by uploading it on a designated website of the Ministry of External Affairs. If the person summoned does not appear before the court, it may issue and upload a warrant for arrest on the website.
- Further, in the case the person fails to appear before the court as specified in the warrant, the court may pronounce him as a proclaimed offender and upload a declaration to that effect on the website. If the accused does not appear after the proclamation has been uploaded, the court may issue a written statement that the such a proclamation has been uploaded. This statement will be conclusive evidence that the warrant has been issued.

A PRS summary of the Bill is available [here](#).

Ordinance on triple talaq re-promulgated

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The Muslim Women (Protection of Rights on Marriage) Second Ordinance, 2019 was promulgated on February 21, 2019.³⁴ Note that two similar Ordinances had been promulgated in September 2018 and January 2019.^{35,36} A similar Bill was also passed by Lok Sabha in December 2018 and the government had approved amendments to be moved in Rajya Sabha. All the three Ordinances incorporate these amendments. This Ordinance is effective from the date of the first Ordinance, i.e. September 19, 2018. Key features of the Ordinance include:

- The Ordinance makes all declaration of talaq, including in written or electronic form, to be void (i.e. not enforceable in law) and illegal. It defines talaq as talaq-e-biddat or any other similar form of talaq pronounced by a Muslim man resulting in instant and irrevocable divorce. Talaq-e-biddat refers to the practice under Muslim personal laws where pronouncement of the word ‘talaq’ thrice in one sitting by a Muslim man to his wife results in an instant and irrevocable divorce.
- **Offence and penalty:** The Ordinance makes declaration of talaq a cognizable offence, attracting up to three years’ imprisonment with a fine. (A cognizable offence is one for which a police officer may arrest an accused person without warrant.) The offence will be cognizable only if information relating to the offence is given by: (i) the married woman (against whom talaq is declared), or (ii) any person related to her by blood or marriage.
- The Ordinance provides that the Magistrate may grant bail to the accused. The bail may be granted only after hearing the woman (against whom talaq has been pronounced), and if the Magistrate is satisfied that there are reasonable grounds for granting bail.
- The offence may be compounded by the Magistrate upon the request of the woman (against whom talaq has been declared). Compounding refers to the procedure where the two sides agree to stop legal proceedings, and settle the dispute. The terms and conditions of the compounding of the offence will be determined by the Magistrate.
- **Allowance:** A Muslim woman against whom talaq has been declared, is entitled to seek subsistence allowance from her husband for herself and for her dependent children. The amount of the allowance will be determined by the Magistrate.

- **Custody:** A Muslim woman against whom talaq has been declared, is entitled to seek custody of her minor children. The manner of custody will be determined by the Magistrate.

A PRS summary of the Ordinance is available [here](#).

President notifies new circuit bench of Calcutta High Court

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The President of India notified a new circuit bench of the Calcutta High Court at Jalpaiguri (in West Bengal).³⁷ The bench will comprise of judges of the Calcutta High Court, as decided by the Chief Justice of the High Court. The bench will exercise jurisdiction over cases arising in the districts of Darjeeling, Kalimpong, Jalpaiguri, and Cooch Behar in West Bengal.

Defence

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CAG submits report on Capital Acquisition in the Indian Air Force

The Comptroller and Auditor General (CAG) released a performance audit of capital acquisition in the Indian Air Force.³⁸ The audit examined 11 contracts of capital acquisition signed between 2012-13 and 2017-18, with a total value of approximately Rs 95,000 crore including that of Rafale aircraft. However, all the commercial and price data related to this agreement have been redacted in the report. Key observations and recommendations of the CAG include:

- **Planning and tendering process:** The process of acquisition of air assets starts with the formulation of user requirements known as the Air Staff Qualitative Requirements (ASQR). CAG observed that the formulation of ASQR is the most crucial stage in the defence acquisition process as it determines the quality, price, and competition. The CAG had recommended in 2007 that ASQRs should be stated in terms of functional parameters, which are measurable. However, it noted that instead of using functional parameters, the Indian Air Force (IAF) made the ASQRs exhaustive and included technical details. This led to situations where none of the vendors was able to meet the ASQRs. In this context, the CAG repeated its recommendation that ASQRs should be stated in terms of functional parameters.
- **Solicitation of Offers:** Offers are solicited from various vendors by issuing a Request for Proposal (RFP). Vendors respond to the RFP by making technical and commercial bids. CAG noted that there was limited competition during this process. The number of vendors who responded to the RFP were less than those invited to bid. This was because of various reasons including narrowly defined ASQRs. CAG recommended that the Defence Ministry should explore open competitive tendering in case of non-strategic items (such as basic trainer aircraft, and weather radar).
- **Organisational issues:** The CAG noted that delays in acquisition were essentially due to a complex and multi-level approval process. From the initiation of the case to the signing of the contract, each procurement case goes through 11 stages. The CAG stated that the current acquisition system is unlikely to support the operational preparedness of the IAF and recommended that the Defence Ministry may undertake reform of the entire acquisition process.

For a PRS report summary see [here](#).

Standing Committee submits report on provision of all-weather road connectivity under Border Road Organisation

The Standing Committee on Defence (Chairperson: Mr. Kalraj Mishra) submitted its report on 'Provision of all-weather connectivity under Border Roads Organisation (BRO) and other agencies up to International borders as well as the strategic areas including approach roads-An appraisal'.³⁹ Key observations and recommendations of the Committee include:

- **Underperformance of BRO:** The Committee observed that since 2007-08, the targets set for various construction works by BRO could not be achieved. However, despite the failure to achieve these targets, higher targets were set in subsequent years which led to further underperformance. The failure to achieve targets was attributed to various issues faced by BRO such as difficult terrain, limited working period, and lack of raw material.
- **Indo-China Border Roads (ICBRs):** The Committee noted that the government had identified 73 roads of length 3,812 km, for development along the Indo-China border. Of these, 61 have been entrusted to the BRO. The initial date for completion of

these roads was 2012. Out of the 61 roads, 28 roads have been completed and the remaining are in various stages of completion. The completion schedule has been extended to 2022. The Committee recommended that BRO should explore the possibility of completing all roads by 2020, instead of 2022.

- **Lack of equipment:** The Committee observed that the availability of construction equipment with the BRO was less than the authorised numbers in 2016-17. Equipment such as stone crushers and tippers were 40% and 50% less than the authorised numbers, respectively. Further, the Committee noted that BRO was using indigenous equipment as they operate in remote locations where use of sophisticated equipment is not feasible. It recommended that deploying of sophisticated construction equipment may be explored to ensure quicker completion of construction projects.

For a PRS report summary see [here](#).

Tribal Affairs

125th Constitutional Amendment Bill introduced in Rajya Sabha

Vinayak Krishnan (vinayak@prsindia.org)

The Constitution (One Hundred and Twenty-Fifth Amendment) Bill, 2019 was introduced in Rajya Sabha.⁴⁰ The Bill amends provisions related to the Finance Commission and the Sixth Schedule of the Constitution. The Sixth Schedule relates to the administration of tribal areas in the states of Assam, Meghalaya, Tripura and Mizoram. The Bill has been referred to the Standing Committee on Home Affairs and the Committee is expected to submit its report in two months. Key features of the Bill include:

- **Village and Municipal Councils:** The Sixth Schedule states that tribal areas in certain regions of these four states will be 'autonomous districts', each administered by a District Council. Further, the Governor may divide an autonomous district into autonomous regions, each administered by a Regional Council.
- The Bill amends this to provide for Village and Municipal Councils in addition to the District and Regional Councils. Village Councils will be established for villages or groups of villages in rural areas, and Municipal Councils will be established in

urban areas of each district. Further, the District Councils may make laws on various issues, including: (i) number of Village and Municipal Councils to be formed, and their composition, (ii) delimitation of constituencies for election to the Village and Municipal Councils, and (iii) powers and functions of these Councils.

- **Finance Commission:** Under the Constitution, the functions of the Finance Commission include making recommendations to the President on: (i) distribution of taxes between the Union and states, and the (ii) provision of grants-in-aid to states. Additionally, the Bill empowers the Commission to make recommendations on measures to augment the Consolidated Fund of a state in order to provide resources to the District Councils, Village Councils, and Municipal Councils in tribal areas in the four states.

A PRS summary of the Bill is available [here](#).

Constitution (Scheduled Tribes) Order (Third Amendment) Bill, 2019 passed by Rajya Sabha

Roshni Sinha (roshni@prsindia.org)

The Constitution (Scheduled Tribes) Order (Third Amendment) Bill, 2019 was introduced and passed by Rajya Sabha to amend the Constitution (Scheduled Tribes) Order, 1950, in respect of Arunachal Pradesh.⁴¹ The Bill amends Part 18 of the Order which specifies the Scheduled Tribes in Arunachal Pradesh. It will lapse upon the dissolution of the Lok Sabha.

- The Bill inserts five entries for granting Scheduled Tribe status to these communities. These are: (i) Galo, (ii) Mishmi-Kaman (Miju Mishmi), Idu (Mishmi), Taraon (Digaru, Mishmi), (iii) Monpa, Memba, Sartang, Sajolang (Miji) (iv) Nocte, Tangsa, Tutasa, Wancho, and (v) Tai Khamti.
- The Bill removes reference to six tribes. These are: (i) Abor, (ii) Galong, (iii) Khampti, (iv) Mishmi (Idu, Taroon), (v) any Naga tribes, and (vi) Momba.

For a PRS Bill Summary, see [here](#).

Cabinet Committee on Economic Affairs approves continuation of Scheduled Tribes sub-schemes

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The Cabinet Committee on Economic Affairs gave its approval for the continuation of eleven sub-schemes under the “Umbrella programme for development of Scheduled Tribes” from April 1, 2017 to March 31, 2020 at a cost of Rs 11,900 crore.⁴² The sub-schemes include pre-matric and post-matric scholarships, hostels, vocational training, and aids to voluntary organisations working for the welfare of Scheduled Tribes.

Union Cabinet approves revision in the list of Scheduled Tribes in Chhattisgarh

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The Union Cabinet gave its approval for certain amendments to the list of scheduled tribes in Chhattisgarh in the Constitution (Scheduled Castes and Scheduled Tribes) Order (Amendment) Bill, 2016.⁴³ The 2016 Bill seeks to amend the Constitution (Scheduled Castes) Order, 1950 and the Constitution (Scheduled Tribes) Order, 1950. The two Orders were issued by the President under the Constitution specifying the Scheduled Castes (SCs) and the Scheduled Tribes (STs) of all states. The 2016 Bill amended the list of STs in five states including Chhattisgarh.

For Chhattisgarh, the Bill seeks to clarify equivalent names of the following communities that are already mentioned in the list of STs: (i) Bhuinya, Bhuiyan, Bhuyan, (ii) Dhanwar, Dhanuhar, Dhanuwar, (iii) Nagesia, Nagasia, Kisan, and (iii) Sawar, Sawara, Saunra, Saonra. The proposed amendments to the 2016 Bill add ‘Binjhia’ to the list of STs in Chhattisgarh. Note that the 2016 Bill will lapse with the dissolution of the 16th Lok Sabha.

Ministry of Tribal Affairs launches various schemes

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The Ministry of Tribal Affairs launched several schemes for the benefit of tribal communities.⁴⁴ These include: (i) Minimum Support Price for Minor Forest Produce, (ii) TRIFOOD project, and (iii) the “Friends of TRIBES” initiative.

Under the Schemes of Minimum Support Price and Value Addition, remunerative MSP will be increased from 30% to 40% for 50 commercially viable items to the tribals. Further,

approximately 6000 Van Dan Vikas Kendras are proposed to be set up. Each Kendra will comprise 300 tribal gatherers. These Kendras are intended to provide employment to almost 45 lakh tribals.

The Ministry also launched the TRIFOOD Scheme. The Scheme is a joint initiative of the Ministry of Food Processing Industries, the Ministry of Tribal Affairs and the Tribal Cooperative Marketing Development Federation of India (TRIFED). Under the Scheme, a tertiary value addition center will be set up in Jagdalpur in Chhattisgarh and Raigad in Maharashtra at a cost of approximately Rs 11 crores.

The Ministry also launched the “Friends of Tribes” initiative. Under this initiative, TRIFED has tied up CSR (Corporate Social Responsibility) funds to promote tribal livelihoods. Under the Companies Act, 2013 companies above a certain specified net worth, turnover or profits are required to spend 2% of their average net profits in the last three financial years, towards activities under its CSR policy.

Corporate Affairs

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Ordinance on amendments to the Companies Act re-promulgated

The Companies (Second Amendment) Ordinance, 2019 was promulgated on February 21, 2019.⁴⁵ It amends several provisions in the Companies Act, 2013 relating to penalties, among others. Note that two similar Ordinances had been promulgated in November 2018 and January 2019.^{46,47} A similar Bill was also passed by Lok Sabha in January 2019. This Ordinance is effective from the date of the first Ordinance, i.e. November 2, 2018.

- **Re-categorisation of certain Offences:** The 2013 Act contains 81 compoundable offences punishable with fine or fine or imprisonment, or both. These offences are heard by courts. The Ordinance re-categorizes 16 of these offences as civil defaults, where adjudicating officers (appointed by central government) may levy penalties for default. These offences include: (i) issuance of shares at a discount, and, (ii) failure to file annual return.
- **Commencement of business:** The Ordinance states that a company may not commence business, unless it (i) files a declaration within 180 days of incorporation, confirming that every subscriber to the

Memorandum of the company has paid the value of shares and (ii) files a verification of its registered office address with the Registrar of Companies within 30 days of incorporation. If a company fails to comply with these provisions and is found not to be carrying out any business, its name may be removed from the Register of Companies.

- **Change in approving authority:** Under the Act, change in period of financial year for a company associated with a foreign company, has to be approved by the National Company Law Tribunal. Similarly, any alteration in the incorporation document of a public company which has the effect of converting it to a private company, has to be approved by the Tribunal. Under the Ordinance, these powers have been transferred to the central government.
- **Compounding:** Under the Act, a regional director can compound (settle) offences with penalty of up to five lakh rupees. The Ordinance increases the limit to Rs 25 lakh.

A PRS summary of the Ordinance is available [here](#).

Health and Family Welfare

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Indian Medical Council (Amendment) Second Ordinance 2019 promulgated

The Indian Medical Council (Amendment) Second Ordinance, 2019 was promulgated.⁴⁸ The Ordinance amends the Indian Medical Council Act, 1956 which sets up the Medical Council of India (MCI) which regulates medical education and practice. Note that, two similar Ordinance had been promulgated in September 2018 and January 2019. This Ordinance is effective from the date of the first Ordinance, i.e., September 26, 2018.

- **Supersession of the MCI:** The 1956 Act provides for supersession of the MCI and its reconstitution within a period of three years. The Ordinance amends this provision to provide for the supersession of the MCI for a period of one year. In the interim period, the central government will constitute a Board of Governors, which will exercise the powers of the MCI.
- The Act provides for the Board of Governors to consist of up to seven members including persons of eminence in medical education, appointed by the central

government. The Ordinance amends this provision to increase the strength of the Board from seven members to 12 members.

- Further, it allows for persons with proven administrative capacity and experience to be selected in the Board. The Ordinance provides for the Board of Governors to be assisted by a Secretary General appointed by the central government.

For more information on the Ordinance, see [here](#).

Cabinet approves setting up of new AIIMS in Haryana

The Union Cabinet approved the establishment of a new All India Institute of Medical Sciences (AIIMS) in Manethi, Haryana.⁴⁹ The Cabinet has approved an expenditure of Rs 1,299 crore for setting up of the new AIIMS.

The new AIIMS will consist of: (i) a hospital with a capacity of 750 beds, (ii) trauma center facilities, (iii) a medical college with an intake of 100 MBBS students per year, (iv) a nursing college with an intake of 60 B.Sc. (Nursing) students per year, (v) 15 to 20 super-speciality departments, and (vi) an AYUSH department for providing treatment facilities in traditional system of medicine.

Cabinet approves financial support for tertiary healthcare programmes

The Cabinet Committee on Economic Affairs approved the continuation of the Tertiary Care Programmes for non-communicable diseases and e-Health upto 2021-22 with an outlay of Rs 2,551 crore.⁵⁰ The objective of the program is to provide support for creation of health facilities in the areas of: (i) cancer diagnosis and treatment, (ii) care for the elderly, (iii) prevention and management of trauma and burn injuries, (iv) drug dependence, (v) mental health, and (vi) visual impairment.

Education

UGC releases regulations for Institutions Deemed to be Universities

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The University Grants Commission (Institutions Deemed to be Universities) Regulations, 2019 were released on February 20, 2019.⁵¹ These regulations outline the processes through which

institutes of academic excellence can be deemed to be universities. Key features include:

- **Eligibility Criteria:** For an institution to be deemed a University, the institution must: (i) have been in existence for not less than 20 years, (ii) have a valid accreditation by National Assessment and Accreditation Council, and (iii) have a student-teacher ratio not less than 1:20, among other criteria. Additionally, an institution not maintained or financed by the government, must have a corpus fund of Rs 10 crore for an existing institution and Rs 25 crore for institutions conducting research in unique areas of knowledge. An institution fulfilling the eligibility criteria may apply online through the Commission's web portal.
- **Monitoring:** The UGC shall be responsible for monitoring the performance and academic outcomes of all deemed to be universities. The parameters for oversight will include: (i) graduate outcomes, (ii) linkage of students with society or industry, and (iii) training of students in essential professional skills.
- **Systems of Governance:** In all institutions deemed to be universities, a Board of Management shall act as the highest governing body in all academic, administrative, and financial matters. The Board will include the Vice-Chancellor, two Deans of Faculties, and one representative of the Central government, among others.
- **Admission and Fees:** As per the regulations, no institution deemed to be a university shall accept payments such as capitation fees, donations, or fees without receipts towards admission fees. Additionally, the institution must implement the policy on reservations in accordance with the Constitution of India and be open to all citizens, regardless of their religion, race, caste, sex, place of birth, or residence.

Cabinet approves revision of norms under the Mid-Day Meal Scheme

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The Cabinet Committee on Economic Affairs approved the revision of certain norms under the Mid-Day Meal Scheme (MDMS) with an outlay of Rs 12,054 crore for 2019-20.⁵² The MDMS targets children between the age of 6 to 14 years. In addition to promoting enrolment, retention and attendance by incentivising the children to

come to school for meals, the scheme also aims to improve nutritional levels among children. It covers children in government and government-aided schools. Under the scheme, the average per meal cost borne by the central government is Rs 6.64 and Rs 9.59 for students of primary and upper primary classes, respectively. The revised norms of MDMS include:

- Implementation of the scheme has been delegated to District Level Committees chaired by District Magistrates. Previously, the central or respective state governments were in charge of implementation.
- The cooking cost for 2019-20 has been enhanced to Rs 4.35 and Rs 6.51 per child per school day for students of primary and upper primary classes, respectively.
- The transportation rate has been revised from Rs 75 per quintal to the rate under the Public Distribution System (subject to maximum of Rs 150 per quintal).

Culture

The Jallianwala Bagh National Memorial (Amendment) Bill, 2018 passed in Lok Sabha

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The Jallianwala Bagh National Memorial (Amendment) Bill, 2018 was passed in Lok Sabha on February 13, 2019. This Bill will lapse following the end of the 16th Lok Sabha. The Bill amends the Jallianwala Bagh National Memorial Act, 1951. The Act provides for the construction of a National Memorial in tribute to individuals killed or wounded on April 13, 1919 in Jallianwala Bagh, Amritsar. The Act also establishes a Trust to manage the National Memorial.

As per the 1951 Act, the Trustees of the Memorial would include, (i) the Prime Minister, as Chairperson, (ii) the President of the Indian National Congress, (iii) the Minister in-charge of Culture, (iv) the Leader of Opposition in Lok Sabha, (v) the Governor of Punjab, (vi) the Chief Minister of Punjab, and (vii) three eminent persons nominated by the central government. The Bill amends this provision to remove the President of the Indian National Congress as a Trustee. Further, it clarifies that when there is no Leader of Opposition in Lok Sabha, then the leader of the single largest opposition party in the Lok Sabha will be the Trustee.

Additionally, the Act provides that the three eminent persons nominated by the central government will have a term of five years and will be eligible for re-nomination. The Bill adds a proviso to allow the central government to terminate the term of a nominated trustee before the expiry of his term without assigning any reason.

A PRS detailed summary of the Bill can be found [here](#).

Select Committee on Ancient Monuments and Archaeological Sites and Remains (Amendment) Bill submits report

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The Select Committee of Rajya Sabha to examine the Ancient Monuments and Archaeological Sites and Remains (Amendment) Bill, 2018 (Chairperson: Dr. Vinay P. Sahasrabudhe) submitted its report.⁵³ The Bill amends the Ancient Monuments and Archaeological Sites and Remains Act, 1958. The Bill was introduced in Lok Sabha on July 18, 2017 and was passed by the House on January 2, 2018. It was referred to the Rajya Sabha Select Committee on July 26, 2018. The Committee recommended that the Bill be passed by Parliament. Key observations and recommendations of the Committee include:

- **Prohibited area:** A protected monument is defined as an ancient monument which is declared to be of national importance under the Act. Construction is not permitted in the prohibited area (area of 100 metre) around a protected monument, except under certain conditions. The Bill seeks to permit construction of public works in prohibited areas for public purposes. The Ministry of Culture stated to the Committee that it has found no specific reasoning behind the 100 metre limit for prohibited areas. The Committee noted that in case of certain monuments, the 100 metre prohibition may not be required, and in certain other cases, it may not be sufficient to protect the monument. It recommended that a systematic study should be conducted by experts to determine a rational area limit for prohibiting construction around a monument to ensure its preservation. Further, instead of prescribing a blanket limit, construction around a protected monument should be allowed on a case-by-case basis.
- **Public works:** The Bill defines ‘public works’ as construction of any infrastructure that is financed and carried out by the central government for public purposes.

Such infrastructure must be necessary for public safety and security, and must be based on a specific instance of danger to public safety. The Committee noted that this definition does not cover public utility projects that are not critical for public safety and security at large. It also questioned why the definition of public works does not include works that are essential for providing convenience to the public, as long as they do not affect the monument.

For a PRS report summary, see [here](#).

Labour

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Expert Committee submits report on determining methodology for fixing national minimum wage

An Expert Committee (Chair: Dr. Anoop Satpathy) submitted its report on recommending a methodology for fixing the national minimum wage. This will become the minimum wage in India covering all workers irrespective of their skills, sectors, occupations and rural-urban locations.⁵⁴ Key features of the report include:

- The Committee recommended that the national minimum wage should be able to meet a working family’s minimum required expenditure on food and non-food (such as clothing, fuel and medical expenses), which should be adequate to preserve the efficiency of workers at their job and the health of their families. The Committee recommended setting the minimum wage at a level that would allow for a minimum recommended intake (per adult per day) of 2,400 calories, 50 grams of protein, and 30 grams of fats.
- Based on the above, the Committee recommended a national minimum wage for India at Rs 375 per day (or Rs 9,750 per month) as of July 2018, for a family comprising of 3.6 consumption units. It also recommended introduction of a house rent allowance (city compensatory allowance), averaging up to Rs 55 per day (or Rs 1,430 per month) for urban workers over and above the national minimum wage. This may vary with the type of city and town.
- As an alternate to a single national minimum wage, the Committee recommended different national minimum wages for different regions of the country in view of their diverse socio-economic and labour

market situations. The Committee grouped all states into five regions based on a composite index and recommended region-specific national minimum wages, varying from Rs 342 per day in one region to Rs 447 per day in another (as of July 2018).

- Since the level of minimum wages is linked to the consumption basket, the Committee recommended that an expert committee should review the consumption basket every five years, subject to the availability of NSSO (National Sample Survey Office) data. However, it recommended that during the interim period, the basic minimum wage should be updated in line with the Consumer Price Index every six months, to reflect changes in the cost of living.

Pradhan Mantri Shram Yogi Maan-dhan launched

The Ministry of Labour and Employment notified a voluntary pension scheme called the Pradhan Mantri Shram Yogi Maan-dhan, 2019.⁵⁵ It intends to provide a minimum assured pension to workers in the unorganized sector. Key features of the scheme include:

- **Eligibility:** The Scheme will apply to unorganised workers between the ages of 18 and 40 years with monthly income of up to Rs 15,000. In order to enrol, the subscriber must have a savings bank account and Aadhar number. Further, the subscriber should not be covered under the National Pension Scheme, Employees' State Insurance Corporation Scheme or Employees' Provident Fund Scheme. Unorganised workers include persons engaged as home-based workers, street vendors, or domestic workers.
- **Minimum assured pension:** Each subscriber under the scheme shall receive a minimum assured pension of Rs 3000 per month after attaining the age of 60 years. The central government will match the contribution made by the beneficiary. The government has notified different monthly contribution amounts depending upon the age of joining. For example, a person entering the scheme at 29 years of age will be required to contribute Rs 100 per month.
- **Family pension:** If the subscriber dies while receiving the pension, his spouse will be entitled to receive 50% of the pension as family pension. If he dies before the pension accrues (i.e. before the age of 60 years), his spouse may either join the scheme by paying the contribution or may

exit the scheme. If they choose to exit, the spouse will receive the beneficiary's contribution along with accumulated interest earned by the fund or at the savings bank interest rate, whichever is higher. If both the subscriber and spouse die, the entire corpus will be credited back to the fund.

- If the beneficiary becomes disabled prior to completing 60 years of age, his spouse may continue the scheme or exit the scheme. On exiting, the spouse will receive the beneficiary's contribution with interest as actually earned by fund or at the savings bank interest rate, whichever is higher.
- **Exit and withdrawal:** Any person may exit the scheme under the following conditions: (i) if he exits within 10 years, his share of contribution will be returned to him along with savings bank interest, and (ii) if he exits the scheme after 10 years but prior to completing 60 years of age, he will get his share along with the accumulated interest earned by the fund or at savings bank interest rate, whichever is higher.

Standing Committee submits report on compliance with provisions on deduction and deposit of PF, ESI and Income Tax

The Standing Committee on Labour (Chair: Mr. Kirit Somaiya) submitted its report on 'Compliance with the prescribed provisions of deduction and deposit of PF, ESI and TDS (of Income Tax, etc) by the Employers'.⁵⁶ Key observations and recommendations of the Committee include:

- **Deductions:** The Committee was informed by the Ministry that the employer has been authorised by the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 to deduct contribution from the salary of the employee and deposit it into the fund. However, the Committee noted that there were instances where the employer deducted the contribution amount from the employee's salary but failed to deposit it with the concerned authorities. As a result, the employee was made to suffer, despite the fact that statutory deductions from his/her salary had been made. Therefore, it recommended that the Ministry should consider appropriate amendments to the Act to protect the interest of employees.
- **Notification of default:** The Committee noted that employers file electronic challan-cum-return in respect of PF deducted by them with the EPFO on monthly basis. In turn, EPFO sends an SMS to the employee

regarding the amount remitted by his employers. The Committee was informed by the Ministry of Labour and Employment that the EPFO is going to institute a system under which an SMS will also be sent to an employee whose PF has not been remitted by his employer. The Committee stressed that the mechanism be put into place at the earliest.

- **Tax deducted at source (TDS):** The Committee was informed by the Central Board of Direct Taxation (CBDT) that it has taken certain steps to help employees whose tax deductions have not been deposited by the employer. It referred to a circular stating that assessing officers can reduce the tax demand of employees by up to Rs 1,00,000 after verifying the relevant documents and by obtaining an indemnity bond (in some cases). The Committee recommended the Ministry of Finance should consider raising the one lakh rupee limit in the interest of welfare of the workers. It further stated that the condition of indemnity bond may be reviewed to bring relief to employees whose TDS has already been deducted from their salary.

A PRS summary of the Report is available [here](#).

Standing Committee submits report on the guidelines, monitoring and regulation of investment made by EPF and EPFO

The Standing Committee on Labour (Chair: Mr. Kirit Somaiya) submitted its report on ‘Guidelines, Monitoring, Rating and Regulatory System, Status of Investment in Bonds and such Instruments - [Example of Infrastructure Leasing and Financial Services (IL&FS) by PF Funds, Pension Funds]’.⁵⁷ Key observations and recommendations of the Committee include:

- The Committee noted that the inherent principle of EPF is social security for the vulnerable working class of society. As its basic objective is social security rather than returns on investments, the Committee noted that the amounts should not be deployed in risky investments. The Committee observed that the EPF Organisation (EPFO) is the custodian of the EPF and is required to ensure a balance between security of this fund and returns on investment.
- **Monitoring Mechanism:** The Committee stressed on the need to ensure that the employees’ PF contributions in the EPF are insulated from any bad investments. Towards this, the Committee recommended strengthening the monitoring mechanisms by exercising tighter control over their designated

portfolio managers and ensuring impartial external concurrent audit of the investments.

- **Credit Rating Agencies:** The Committee noted that the EPFO makes investments as per the pattern of investment notified by the Ministry of Labour and Employment. As per the current guidelines, investments in corporate bonds is limited to ‘AA’ in case of PSU bonds and ‘AA+’ bonds in case of private sector bonds. These bonds are rated by Credit Rating Agencies (CRAs). CRAs are registered with and regulated by the Securities and Exchange Board of India (SEBI). Further, the CRAs are accredited by RBI as ‘External Credit Assessment Institutions’ for rating banks loans.
- The Committee examined the process adopted by Credit Rating Agencies (CRAs) for determining the credit rating of any financial institution. The Committee was of the view that CRAs are not discharging their functions adequately and in a transparent manner. It attributed this to a weak monitoring mechanism by the Ministry of Finance, SEBI, and RBI. The Committee emphasised the need for a healthy monitoring mechanism, rating mechanism and a forewarning system in case of falling credit rating. It further stressed that the Ministry of Labour & Employment voice the concern of the Committee with the Ministry of Finance and other concerned agencies to ensure that credit rating issued by CRAs are transparent. This will ensure that the provident fund of the employee is secure while ensuring an adequate return on investment.

A PRS summary of the Report is available [here](#).

ESIC takes decisions towards improvements in service delivery

As per a press release, the Employees’ State Insurance Corporation (ESIC) took decisions at a recent meeting with the aim of improving its service delivery mechanism. The ESIC is a statutory body which administers the ESI Scheme.⁵⁸ The ESI scheme is a contributory scheme based on monthly contribution from employers and employees at a fixed percentage of wages paid. Key changes approved include:

- It has been reported that the government has approved the reduction in the rate of contribution being paid by employers and employees from 4.75% to 4% and 1.75% to 1% of wages, respectively. Note that a draft notification to reduce the rate of contribution has been issued by the government.⁵⁹
- The income limit for availing medical benefit for the dependent parents of an

insured person covered under the ESI Scheme has been enhanced from the existing Rs 5000 per month to Rs 9000 per month.

- Currently, under the ESI scheme, the state governments also bear 1/8th share of the cost of medical benefit, while the ESIC bears the remaining 7/8th share of expenses. It has been reported that ESIC will also bear the 1/8th share of expenditure which was earlier borne by states.
- ESIC will acquire additional land of 10.6 acres adjoining the already allotted land of 8.6 acre at Sheelanagar, Visakhapatnam. On this land, a 500 bed ESIC Model Hospital with super specialties will be constructed.

Note that the details of these changes have not been released in the public domain.

Social Justice and Empowerment

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Cabinet approves proposal of Board for De-notified, Nomadic and Semi-Nomadic Communities

The Union Cabinet, chaired by Prime Minister Narendra Modi, approved the constitution of a Development and Welfare Board for De-Notified, Nomadic and Semi-Nomadic Communities on February 19, 2019.⁶⁰ This Committee will be chaired by the Vice-Chairman, NITI Aayog and will be responsible for completing the process of identification of De-Notified, Nomadic, and Semi-Nomadic Communities that have not yet been formally classified.

Previously, the National Commission for De-Notified, Nomadic, and Semi-Nomadic Communities had recommended that a Permanent Committee should be established for these communities.

Tenure of National Commission for Safai Karmacharis extended for three years

The Union Cabinet approved the extension of the term of the National Commission for Safai Karmacharis for a period of three years starting from March 31, 2019.⁶¹ Safai karmacharis refer to persons who are engaged in manually carrying, cleaning or disposing of human excreta or for any sanitation work. The Commission was set up as a statutory body under the National Commission for Safai Karmacharis Act, 1993. The Act ceased to have effect from February,

2004. However, the tenure of the Commission has been extended as a non-statutory body under the Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013. The Commission seeks to (i) monitor implementation, (ii) enquire into complaints regarding the contravention of the Act, (iii) advise central and state governments on effective implementation of the Act, and (iv) take *suo-motu* notice of matters related to non-implementation of the Act.

Information and Broadcasting

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The Cinematograph (Amendment) Bill, 2019 introduced in Rajya Sabha

The Cinematograph (Amendment) Bill, 2019 was introduced in Rajya Sabha.⁶² The Bill amends the Cinematograph Act, 1952. The Bill has been referred to the Standing Committee on Information Technology, which is expected to submit its report within two months. The Act provides for certification of films for exhibition. Further, the Act imposes penalties for various offences such as: (i) exhibition of a film that has not been certified for public exhibition, or (ii) tampering with a film after it has been certified. Key features of the Bill include:

- The Bill prohibits a person from using a recording device to make a copy or transmit a film, without written authorisation from the producer of the film.
- Persons who make copies of a film without authorisation, will be punished with imprisonment of up to three years, or fine up to Rs 10 lakh, or both.

A PRS summary of the Bill is available [here](#).

Food Processing

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The National Institutes of Food Technology, Entrepreneurship and Management Bill, 2019 introduced

The National Institutes of Food Technology, Entrepreneurship and Management Bill, 2019 was introduced in Rajya Sabha and referred to the Standing Committee on Agriculture.^{63,64} The Bill declares certain institutes of food

technology, entrepreneurship, and management as institutions of national importance.

- These institutes are the National Institute of Food Technology Entrepreneurship and Management Kundli, and the Indian Institute of Food Processing Technology, Thanjavur. The Bill declares these institutes as National Institutes of Food Technology, Entrepreneurship and Management.

For more details on the Bill, please see [here](#).

Information Technology

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Cabinet approves National Policy on Electronics 2019

The Union Cabinet approved the National Policy on Electronics 2019, proposed by the Ministry of Electronics and Information Technology (MeitY).⁶⁵ The Ministry had earlier released a draft policy in October 2018.⁶⁶ The policy aims to position India as a global hub for Electronics System Design and Manufacturing (ESDM), by enabling the industry to compete globally. Key features of the approved policy include:

- **Objectives:** Key objectives of the policy include: (i) promoting manufacturing and export in ESDM to achieve a turnover of USD 400 Billion by 2025, (ii) improving ease of doing business for ESDM industry, (iii) encouraging research and innovation in all sub-sectors of electronics, and (iv) facilitating loans to the industry at competitive rates.
- **Promoting competition:** The policy seeks to create a competitive ESDM sector by incentivizing domestic manufacturing and exports. This will be achieved by: (i) providing suitable tax benefits to the ESDM sector, (ii) providing support for micro, small and medium enterprises in the ESDM sector, and (iii) exempting import duty on capital equipment that is not manufactured in India.
- **Standards:** A standards development framework will be set up, based on global benchmarks, for electronics, information technology, and e-governance. Further, an institutional mechanism will be set up for within MEITY for mandating compliance with standards for electronics products.
- **Research and innovation:** The policy aims to promote research and innovation in the electronics sector by: (i) creating an

ecosystem for promoting design and Intellectual Property, (ii) providing support for generation of patents, and (iii) promoting research and start-ups in technology areas such as 5G and artificial intelligence.

- **Cyber security:** The policy proposes to: (i) enhance understanding of cyber security issues related to electronics products, (ii) promote use of secure chips, and (iii) promote a start-up ecosystem for the development of cyber security products.

Cabinet approves National Policy on Software Products 2019

The Union Cabinet approved the National Policy on Software Products 2019.⁶⁷ The policy aims to develop India as the global software product hub, driven by innovation, improved commercialisation, sustainable intellectual property, and promoting technology start-ups.

The policy has the following five Missions:

- To promote the creation of a sustainable Indian software product industry, driven by intellectual property.
- To nurture 10,000 technology startups in the software product industry, including 1,000 start-ups in Tier II and III towns.
- To create a talent pool for software product industry through: (i) up-skilling of 10 lakh IT professionals, (ii) motivating one lakh school and college students, and (iii) generating 10,000 specialised professionals to provide leadership.
- To build a cluster-based innovation driven ecosystem by developing 20 sectoral and strategically located software product development clusters.
- A National Software Products Mission will be set up with participation from government, academia, and industry, to monitor schemes and programmes for the implementation of this policy.

An outlay of Rs 1,500 crore is estimated to implement the programmes and schemes under the policy, over the next seven years. This amount will be divided across two funds- the Software Product Development Fund and the Research and Innovation Fund.

Environment

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Standing Committee submits report on the status of forests in India

The Standing Committee on Science & Technology, Environment & Forests (Chair: Mr. Anand Sharma) submitted its report on the ‘Status of Forests in India’.⁶⁸ Key observations and recommendations of the Committee include:

- **Definition of Forest:** The Committee examined the Draft National Forest Policy 2018 which was circulated for public feedback during April 2018. The Committee noted that the word ‘Forest’ is not defined in the Draft Policy. It noted that the Ministry uses the definition of the term as provided by the Supreme Court. The Court defined forests to include all forests statutorily recognised under the Forest (Conservation) Act, 1980. The Committee noted that certain stakeholders had expressed concerns that this definition did not include ecosystems which don’t have forest-like attributes, such as wetlands or grasslands. Therefore, it recommended that Ministry of Environment, Forest & Climate Change (MoEF) come out with a comprehensive and clear definition of the term ‘Forest’.
- **Forest cover:** The Committee expressed concern about the decline in the forest cover in the north-eastern states, which constitute 65.3% of its geographical area in comparison to the national forest cover of 21.5%. It recommended that the concerned state governments and MoEF take necessary steps to ensure that the decline in forest cover in these states is curbed at the earliest.
- **Deforestation:** The Committee noted that the budget allocation to National Afforestation Programme has been insufficient. This has affected the achievement of the annual targeted area of afforestation during the last few years. The Committee recommended that the MoEF ensure that adequate allocation is made to the National Afforestation Programme and the targets under the Programme are achieved. Further, the Committee noted that the funding pattern for the Programme changed in 2015-16 from a 100% centrally sponsored scheme to a 60-40 sharing scheme between the centre and state. Therefore, the Committee recommended that the concerned state governments provide

their share of the changed funding pattern to ensure the success of the Programme.

A PRS summary of the Report is available [here](#).

Petroleum and Natural Gas

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Ministry of Petroleum and Natural Gas issues directions to companies to sell 10% ethanol blended petrol from April 2019

The Ministry of Petroleum and Natural Gas issued directions to oil marketing companies to sell 10% ethanol blended petrol in all states and union territories (except Andaman and Nicobar Islands and Lakshadweep) from April 1, 2019.⁶⁹ The central government may modify the areas and the specified percentage of ethanol blending and specify the period for the same.

The Ethanol Blended Petrol Programme was launched in 2003 to promote the use of alternative and environment friendly fuels.⁷⁰ Blending ethanol with petrol helps reduce vehicle exhaust emissions and reduces the import burden for petroleum.

At present, subject to commercial viability, oil marketing companies are mandated to sell 5% ethanol blended petrol.⁷¹ The directions increase the blending percentage from the existing 5% to 10%. Further, the mandate of selling ethanol blended petrol is being extended to the north-eastern states and Jammu and Kashmir.

Cabinet approves framework for reforms in the exploration and licensing policy

The Union Cabinet approved a policy framework for reforms in the exploration and licensing policy for oil and gas fields for enhancing domestic exploration and production.^{72,73} The objectives of the approved framework are: (i) attracting new investment in exploration and production sectors, (ii) intensifying exploration activities in unexplored areas, and (iii) liberalising the policy in production basins. The reforms focus on the following areas:

- **Increasing exploration in unexplored or unallocated areas:** In basins with no commercial production, exploration blocks will be auctioned, without any revenue or production share to the government. Currently, for such blocks, the contractor is required to share revenue with the government. However, in case of an annual revenue of more than USD 2.5 billion,

contractors will be required to share their revenue with the government.

At present, during bidding of unexplored or unallocated areas of production basins, equal weightage is given to exploration work programme and revenue share of the government. In the approved framework, the weightage to work programme is being increased to 70%, with 30% weightage to revenue share.

The framework also provides for shorter exploration periods and royalty concessions for early commencement of production. Further, the contractor will be given marketing and pricing freedom for sale of crude oil and natural gas in certain cases.

- **Enhancing gas production:** Marketing and pricing freedom will be provided to certain new gas discoveries. A 10% reduction in royalty will be provided for additional gas production from domestic fields over and above the normal production.
- **Enhancing production from existing nomination fields:** In order to enhance production, detailed plans will be prepared by ONGC and Oil India Limited for the blocks granted to them on nomination basis. Also, they will be allowed to collaborate with private sector for bringing capital and new technology, and increasing production.
- **Ease of doing business:** Measures will be taken for improving ease of doing business by setting up a coordination mechanism, simplifying approval processes, creating an alternate dispute resolution mechanism, and strengthening DGH, among other measures.

CCEA approves PM JI-VAN Yojana for increasing ethanol supply

The Cabinet Committee on Economic Affairs (CCEA) has approved the Pradhan Mantri JI-VAN (Jaiv Indhan - Vatavaran Anukool fasal awashesh Nivaran) Yojana.⁷⁴ Under the scheme, financial support in the form of viability gap funding (VGF) will be provided to integrated bioethanol projects which produce ethanol using dry plant biomass and other renewable feedstock. The scheme aims to incentivise the production of ethanol through these sources, and increase the supply of ethanol.

The VGF support will be provided to 12 commercial projects and 10 demonstration projects in two phases: (i) half of the projects in 2018-19 to 2022-23, and (ii) the other half in 2020-21 to 2023-24.

An outlay of Rs 1,970 crore has been approved for the scheme for the period 2018-19 to 2023-24. Of this, Rs 1,800 crore has been allocated for supporting the 12 commercial projects, and Rs 150 crore has been allocated for supporting the 10 demonstration projects.

The Ministry of Petroleum and Natural Gas seeks to achieve 10% ethanol blending in petrol by 2022 under the Ethanol Blended Petrol (EBP) programme. The ethanol supply in 2017-18, i.e. 150 crore litres, (highest supply ever) was sufficient for 4.2% ethanol blending.

The Ministry aims to bridge the supply gap for the EBP programme through the production of ethanol from biomass and other waste. The ethanol produced by the scheme beneficiaries will be mandatorily supplied to oil marketing companies to increase the blending percentage.

Power

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Kisan Urja Suraksha evam Utthaan Mahabhiyan approved

The Cabinet Committee on Economic Affairs approved the launch of Kisan Urja Suraksha evam Utthaan Mahabhiyan (KUSUM).⁷⁵ The scheme seeks to provide financial and water security to farmers. The scheme aims to add solar capacity of 25,750 MW by 2022. The total central financial support provided under the scheme would be Rs 34,422 crore.

The proposed scheme consists of three components:

- i. **Component-A:** 10,000 MW of decentralised ground mounted grid connected renewable power plants. Under this component, renewable power plants of capacity 500 kW to 2 MW will be setup by individual farmers/ cooperatives/ panchayats/ farmer producer organisations on their barren or cultivable lands. The power generated will be purchased by the distribution companies.
- ii. **Component-B:** Installation of 17.5 lakh standalone solar powered agriculture pumps. Under this component, individual farmers will be supported to install standalone solar pumps of up to 7.5 HP capacity.
- iii. **Component-C:** Solarisation of 10 lakh grid-connected solar powered agriculture pumps. Under this component, individual farmers will be supported to solarise pumps of up to 7.5 HP capacity.

12,000 MW of solar power projects approved

The Cabinet Committee on Economic Affairs approved the setting up of 12,000 MW grid-connected solar photovoltaic (PV) power projects.⁷⁶ These projects will be set up by government producers, who will be provided with a viability gap funding (VGF) support of Rs 8,580 crore. The VGF support could also be used by government or government entities at both the central and state levels. The projects will be set up in a time period of four years, from 2019-20 to 2022-23.

Phase-II of Grid Connected Rooftop Solar Programme approved

The Cabinet Committee on Economic Affairs approved Phase-II of the Grid Connected Rooftop Solar Programme.⁷⁷ This seeks to achieve the cumulative capacity of 40,000 MW from rooftop solar (RTS) projects by 2022. The programme will be implemented with total central financial support of Rs 11,814 crore.

Under Phase-II, central financial assistance will be provided as follows:

- **Residential sector:** 40% assistance will be provided for RTS systems with up to 3 kW capacity, and 20% for capacity between 3 and 20 kW.
- **Group Housing Societies/Residential Welfare Associations:** The assistance will be limited to 20% for RTS plants for supply of power to common facilities.
- No assistance will be provided to other categories such as institutional, educational, social, government, commercial, and industrial sectors.

In addition, performance based incentives will be provided to distribution companies based on the RTS capacity achieved in a financial year (over and above the base capacity).

Coal and Mining

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Cabinet approves the National Mineral Policy, 2019

The Union Cabinet has approved the National Mineral Policy, 2019.⁷⁸ It replaces the National Mineral Policy, 2008. The 2019 policy aims to bring in further transparency, better regulation and enforcement, balanced social and economic

growth in the sector, and sustainable mining practices. Key features of the policy include:

- **Encouraging private sector:** The policy aims to encourage the private sector to take up exploration through measures including: (i) long term trade policies, (ii) harmonising taxes, levies, and royalty with global benchmarks, (iii) rationalisation of reserved areas which have been given to public sector companies, and have not been used, (iv) auction of such reserved areas with more opportunities for private sector participation, and (v) transfer of mining leases.
- **Mining licence:** The policy provides for: (i) auction of unexplored areas with a composite licence (reconnaissance permit cum prospecting licence cum mining licence) on revenue share basis, and (ii) right of first refusal to holders of reconnaissance permit and prospecting licence when granting mining licences.
- **Transportation:** The new policy focuses on use of coastal waterways and inland shipping for transportation of minerals. It also provides for creation of dedicated mineral corridors to facilitate the transportation of minerals.
- **Sustainable mining:** The policy seeks to utilise the District Mineral Fund for equitable development of project affected persons and areas. It also introduces the concept of inter-generational equity and proposes to constitute an inter-ministerial body to institutionalise this mechanism. Inter-generational equity means that future generations should have as much access to natural resources as the current generation.
- **Industry status:** The policy proposes to grant mining the status of industry. Currently, it is accounted as an economic activity under the primary (agriculture) sector. This would help increase financing for: (i) mining activities for the private sector, and (ii) acquisition of mineral assets in other countries by the private sector.
- **Technology:** The policy provides for an online public portal with provision for generating triggers at higher levels in the event of delay of clearances. It also provides for maintenance of a database of mineral resources and licenses granted.

A copy of the policy document is not available in the public domain yet.

CCEA permits allottees of captive mines or mines with specified end use to sell up to 25% of coal production in open market

The Cabinet Committee on Economic Affairs (CCEA) has permitted the allottees of captive mines or mines with specified end use to sell up to 25% of their coal production in open market.⁷⁹

Currently, allottees of certain coal mines which had been earmarked for specified end use (i.e. for usage by a particular sector) or for captive use (i.e. their own consumption) were not permitted to sell coal in open market. Any coal produced in excess of the allottee's requirement was mandated to be supplied to Coal India Limited at their notified price, minus handling charges. Such sale was required to be limited to 50% of the annual production from the mine.

The new guidelines allow allottees to sell up to 25% of their production on ROM basis (run-of-mine production calculated without removing the impurities). The allottees are required to utilise at least 75% of production (ROM basis) of their coal mines for the specified purposes.

For open market sale, the allottees are required to pay an additional premium equivalent to 15% of the final price agreed upon during the auction or allotment. This additional premium will be payable over and above the final price.

CCEA approves continuation of central scheme for Exploration of Coal and Lignite for the period 2017-18 to 2019-20

The Cabinet Committee on Economic Affairs (CCEA) has approved continuation of the central scheme for 'Exploration of Coal and Lignite' for the period 2017-18 to 2019-20.⁸⁰ Rs 1,875 crore of outlay has been approved for the scheme.

The approved scheme aims to carry out 2,441.5 km of drilling and 3,575 line km of surface geophysical survey during the three-year period. Under the scheme, regional exploration and detailed drilling will be carried out in blocks not owned by the Coal India Limited.

In regional exploration, possible deposits are categorised based on the increasing order of their geological feasibility. Subsequently, detailed drilling is carried out for some of them to assess their economic viability and identify reserves.

Housing and Urban Affairs

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Cabinet approves payment of the subscribed share capital in NHB

The Union Cabinet approved payment of the face value of the subscribed share capital of Rs 1,450 crore in the National Housing Bank (NHB) to the Reserve Bank of India (RBI).⁸¹ This is consequent to the amendments made in 2018 to the NHB Act, 1987. Under the Finance Act, 2018, the 1987 Act was amended to transfer the equity shares held by the RBI in the National Housing Bank (of Rs 1,450 crore) to the central government. NHB is the principal agency to promote housing finance institutions in India.

Lighthouse projects challenge launched

The Ministry of Housing and Urban Affairs has launched a challenge for states and union territories (UTs) to select six sites across the country for the construction of lighthouse projects under Global Housing Technology Challenge-India (GHTC) -India.⁸² These selected sites will be used as an 'open laboratory' for live demonstration of housing technology.

The winning states/UTs will receive central assistance to construct these lighthouse projects as per guidelines under the Pradhan Manti Awas Yojana - Urban. In addition, a Technology Innovation Grant will be provided to the states/UTs to offset the impact of any additional cost implication due to the use of new technology and to provide for any other issues.

Model Building Byelaws, 2016 amended to provide for electric vehicle charging infrastructure

The Ministry of Housing and Urban Affairs has amended the Model Building Byelaws, 2016 and the Urban Regional Development Plans Formulation and Implementation Guidelines, 2014 to facilitate the availability of electric vehicle (EV) charging infrastructure.⁸³ The amended guidelines will act as a guiding document for states and union territories to incorporate the norms and standards of EV charging infrastructure in their respective building byelaws. The central government aims to have 25% of all vehicles on roads to be electric by 2020. Note that in December 2018, the Ministry of Power had released guidelines and standards for charging infrastructure for electric vehicles.⁸⁴

- **Model Building Byelaws:** Based on the occupancy pattern and the total parking provisions in the premises of various building types, charging infrastructure will be provided only for EVs. Currently, the required occupancy is assumed to be 20% of all vehicle holding capacity/ parking capacity at the premises.
- **Urban Regional Development Plans Formulation and Implementation Guidelines:** The norms for distribution of public charging stations across a city have been specified. For example, standalone public charging stations must be placed every 25 km on both sides of the highways.

Water Resources

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Projects worth Rs 1388 crores approved under Namami Gange

The Ministry of Water Resources, River Development and Ganga Rejuvenation has approved projects worth Rs 1388 crore focusing on towns along river Yamuna.⁸⁵ These projects involve the construction and renovation of sewage treatment plants, online monitoring systems, and other infrastructure projects. Thus far, projects have been approved in Etawah, Firozabad, Agra, Meerat, Baghpat, and Chunar.

In addition to projects focused on the development of infrastructure, the Ministry has also approved projects to revive aquatic biodiversity. Thus far, the Committee has approved conservation projects to be undertaken by the Wildlife Institute of India, the Uttar Pradesh Forest Department, and the National Institute of Urban Affairs.

Rural Development

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Cabinet approves continuation of Pradhan Mantri Awas Yojana – Gramin

The Union Cabinet has approved the continuation of Pradhan Mantri Awas Yojana – Gramin beyond March 2019 upto 2021-22.⁸⁶ For Phase II of the scheme, a target 1.95 crore houses are set to be constructed in this period. For 2019-20, the scheme aims to build 60 lakh houses. For this, the Cabinet has allocated Rs 76,500 crore. At the end of this year, further

continuation will be based on third-party evaluation. Administrative expenses associated with the scheme have also been reduced from 4% to 2% of programme funds.

Industries

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Cabinet approves Phase II of FAME India

The Union Cabinet approved Phase II of the scheme Faster Adoption and Manufacturing of Electric Vehicles in India (FAME India Phase II), for promotion of electric mobility in India.⁸⁷ The scheme seeks to encourage faster adoption of electric and hybrid vehicle by: (i) offering upfront incentives on purchase of electric vehicles, and (ii) by establishing the necessary charging infrastructure for electric vehicles.

Phase II of the scheme will be implemented from April 1, 2019. It will have a total outlay of Rs 10,000 crore over a period of three years, from 2019 to 2022.

Under this phase, benefits of incentives will be extended to only those vehicles which are fitted with advance batteries such as Lithium Ion batteries and other new technology batteries. Phase II will also focus on electrification of public transport including shared transport. Further, the scheme proposes the establishment of charging infrastructure such that there is at least one charging station in a grid of 3 km x 3 km. Around 2,700 charging stations will be established in metros, other million plus cities, smart cities and cities of hilly states across the country. Charging stations are also proposed on major highways connecting major city clusters.

Transport

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Cabinet approves setting up of SPV for disinvestment of Air India

The Union Cabinet has given ex-post facto approval for the creation of the Special Purpose Vehicle (SPV) and associated activities for the disinvestment of Air India and its subsidiaries.⁸⁸ The new SPV, Air India Assets Holding Ltd., was created on January 22, 2018, based on an order issued by the Ministry of Civil Aviation.

The following will be transferred to the SPV:

- Debt of Air India Ltd. amounting to Rs 29,464 crore;
- The subsidiaries which are not part of Air India strategic disinvestment such as Air India Air Transport Services Ltd., Airline Allied Services Ltd., and Air India Engineering Services Ltd.; and
- Non-core assets, paintings and artefacts, and other non-operational assets of Air India.

CCEA approves strategic disinvestment of 100% equity shares of government in Kamarajar Port Limited

The Cabinet Committee on Economic Affairs has given ‘in principle’ approval for strategic disinvestment of 100% equity shares of the central government in Kamarajar Port Limited (KPL) to the Chennai Port Trust.⁸⁹ Currently, the central government and Chennai Port Trust hold 67% and 33% of shares respectively in KPL. The disinvestment will be done in a single stage process, by following ‘arm’s length’ principles. The disinvestment seeks to avoid duplication of capacity creation in the ports and improve efficiency of both ports by facilitating better human resource management.

Cabinet approves new Railway Zone at Vishakhapatnam

The Union Cabinet approved setting up of a new Railway Zone at Vishakhapatnam, Andhra Pradesh and a new division with headquarter at Rayagada, Odisha by reorganizing the existing South Central Railway and East Coast Railway.⁹⁰ This increases the number of Railway Zones from 17 to 18.

Ministry of Shipping revises guidelines for chartering of ships

The Ministry of Shipping has revised its guidelines for chartering (or hiring) of ships by providing Right of First Refusal to ships built in India.⁹¹ This implies that whenever a chartering tender process is undertaken, a bidder offering a ship built in India will be given the first priority to match the lowest bidder quote. A copy of the revised guidelines is not available in the public domain yet.

Textiles

Cabinet approves continuation of the Khadi Vikas Yojana and Gramodyog Vikas Yojana from 2017-18 to 2019-20

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The Cabinet Committee on Economic Affairs approved the continuation of eight schemes launched by the Khadi and Village Industries Commission, from 2017-18 to 2019-20, at a cost of Rs 2800 crore.⁹² These schemes include the Khadi Grant, the Village Industries Grant, and the Market Promotion and Development Assistance Scheme. Further, these eight schemes have been merged under two heads. These are the Khadi Vikas Yojana and the Gramodyog Vikas Yojana.

The Cabinet also approved the Rozgar Yukta Gaon scheme. The scheme aims to introduce enterprise-based business models in the khadi sector through partnerships among artisans, business partners, and Khadi institutions (receiving assistance under the Khadi Reform and Development Programme). The scheme will be implemented in 50 villages.

Another key component includes the creation of incentives in production based on an objective scorecard. While the Khadi institutions would automatically be given financial assistance of 30%, they must strive for efficiency, optimal utilization of resources, and reduction of waste to become eligible for additional assistance.

Ministry of Textiles launches scheme for development of knitting and knitwear

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The Ministry of Textiles launched a new scheme for development of knitting and knitwear sector.⁹³ The main components of the scheme include: (i) creation of new service centers on Public Private Partnership (PPP) model by industry and associations in the knitting and knitwear clusters, (ii) modernization and upgradation of existing power loom service centres and institution run by Textile Research Associations and Export Promotion Councils Association in knitting and knitwear clusters, and (iii) facilitation, awareness, studies, surveys, market development, and publicity for knitting and knitwear units.

Micro, Small and Medium Enterprises

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Cabinet approves continuation of the Credit Linked Capital Subsidy and Technology Upgradation Scheme for the period of 2017-18 to 2019-20

The Cabinet Committee on Economic Affairs, approved the continuation of the Credit Linked Capital Subsidy and Technology Upgradation Scheme for the period of 2017-18 to 2019-20 with an outlay of Rs 2,900 crore.⁹⁴

The objective of the scheme is to facilitate technology upgradation in Micro, Small and Medium Enterprises (MSMEs) by providing an upfront capital subsidy of 15% (on institutional finance of upto one crore rupees) for induction of well-established and improved technology. In addition, the scheme aims at improving the competitiveness of MSMEs by integrating various ongoing schematic interventions aimed at upgrading technology through: (i) zero defect zero effect manufacturing, and (ii) increasing productivity through waste reduction, design intervention, and cloud computing.

Tourism

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Cabinet approves continuation of the Swadesh Darshan Scheme

The Union Cabinet approved the continuation of the Swadesh Darshan Scheme.⁹⁵ Launched in 2015, the scheme is a central sector scheme aimed at integrated development of tourism infrastructure in the country. The objectives of the scheme include: (i) developing theme based tourist circuits such as the Buddhist Circuit and the Himalayan Circuit, and (ii) developing public facilities like last mile connectivity and tourist reception centres. The Cabinet has approved Rs 2,056 crore for 60 ongoing projects which are expected to be completed in December 2019. Further Rs 324 crore has been allocated for six projects which are expected to be completed by September 2020.

Note that, since 2015, the Ministry of Tourism has sanctioned 77 projects worth Rs 6,122 crore.

Space

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Cabinet approves setting up of a new company under Department of Space

The Union Cabinet approved the setting up of a company for commercial usage of the research and development work carried out by the Indian Space Research Organization (ISRO) and the Department of Space.⁹⁶

Opportunities for commercial usage of ISRO's work include: (i) transfer of small satellite technology to industries, (ii) manufacturing small satellite launch vehicles (SLV) in collaboration with the private sector, (iii) mass production of polar SLV through industry, (iv) mass production and marketing of space-based products and services, including launch and applications, (v) transfer of technologies developed and marketing of some associated technologies and products, and (vi) any other avenue deemed fit by the central government.

Home Affairs

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Standing Committee submits report on Central Assistance for Disaster Management and Relief

The Standing Committee on Finance (Chairperson: Dr. M. Veerappa Moily) submitted its report on "Central Assistance for Disaster Management and Relief".⁹⁷ Under the Disaster Management Act 2005, financial assistance is provided to disaster-affected states from the State Disaster Response Fund (SDRF) and the National Disaster Response Fund (NDRF). Key observations and recommendations made by the Committee include the following:

- **Disaster Mitigation Fund:** The Committee recommended that a separate Disaster Mitigation Fund should be operationalised for undertaking permanent mitigation measures in disaster-prone states. It stated that any investment on mitigation and prevention of disaster risk will go a long way in significantly reducing expenditure on relief and disaster response. Further, the Committee recommended that comprehensive insurance coverage should be provided to all properties located in disaster-prone areas.

- **Funding mechanism:** The Committee made various recommendations related to the funding mechanism for disaster relief. It recommended that an additional 10% of the allocation of the centrally sponsored schemes may be specially earmarked for permanent restoration of damaged structures. Further, in order to bring greater flexibility to the funding mechanism, the Committee recommended that borrowing powers of affected states may be enhanced in the event of a disaster.
- The Committee noted that 10% of the annual fund allocation of the SDRF may be used for localized state-specific natural calamities. It recommended that this 10% limit should be done away with and all expenditure towards state-specific disasters should be charged to the SDRF. The Committee recommended a 10% increase to the corpus of the SDRF to accommodate this expenditure.

For a PRS report summary see [here](#).



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External Affairs

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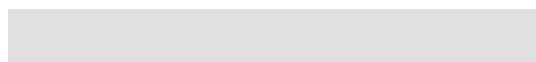
President of Argentina and Crown Prince of Saudi Arabia visit India

The President of Argentina and Crown Prince of Saudi Arabia visited India.^{98,99} Key agreements signed with the countries are:

- **Argentina:** India and Argentina signed 10 agreements in various sectors including: (i) defence, (ii) tourism, (iii) pharmaceuticals, and (iv) agriculture.¹⁰⁰
- **Saudi Arabia:** India and Saudi Arabia signed five agreements for cooperation in various fields including: (i) tourism, (ii) housing, and (iii) bilateral investments.¹⁰¹

Prime Minister visits Republic of Korea

The Prime Minister, Mr. Narendra Modi, visited the Republic of Korea.¹⁰² The countries signed six agreements in various areas including: (i) promoting collaboration among start-ups, (ii) cooperation between law enforcement agencies, and (iii) facilitating exchange of knowledge in the field of road and transport.¹⁰³



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